ABC NIGHTLINE 28 July 1983

KOPPEL: The House tonight repudiated one of the key elements in Pres Central American policy. It voted to cut off funds for that semi-sec Nicaraguan rebels and their CIA advisers. Tonight's action was, as c correspondent Charles Gibson reports, somewhat empty from a practical but the House had a message and tonight it delivered that message.

GIBSON: The problem from the beginning has been these troops, a force of anti-Communist guerrillas in Nicaragua financed by the CIA and designed to harass the Nicaraguan government, as well as prevent arms shipments out of Nicaragua to leftists forces in other Central American countries. Congress knew of the operation all along, but some members found it getting out of control. Edward Boland of Massachusetts, chairman of the Intelligence Committee, became so alarmed he moved to cut off the secret funding. That led to a secret session of the House last week with doors locked, press, staff and public excluded, at which Boland laid out the case, a case essentially reiterated by other Democrats in House debate the past two days. REP. LEE HAMILTON (D-Indiana): The covert action should be stopped because it is not working, because it's harmful to our interests, because it risks a wider conflict, because it diminishes the chances for successful negotiation. REP. WYCHE FOWLER (D-Georgia): Everyone of our allies in Central America have said that the major impediment to ceasing the violence is the United States unilateral operation and urged us to stop it.

GIESON: Going into the debate Democrats doubted they had the votes, but the administration made what some Republicans admitted were major errors. On Monday, news reports carried word from administration spokesmen of mass military exercise sent to Central America, including the landing of 4,000 ground troops in Honduras. Then the president, Tuesday night in a news conference, tried to alleviate fears of military confrontation. Some members felt he made things worse. Finally, members told National Security Adviser Bill Clark, when he came to the Hill, they were tired of merely being informed of what the administration was doing, not consulted. Republicans in the debate tried to say a cut-off in the covert aid tied the hands of the president. REP. NEWT GINGRICE (R-Georgia): This is a vote on whether we're gonna cripple the forces of freedom. This is a vote on whether we're gonna help the Soviet Union and the Cubans and the 9,000 Communist bloc advisers who are in Nicaragua.

GIBSON: And they complained the cutoff in covert funds would do nothing to stop arms shipments out of Nicargua. REP. HENRY HYDE (R-Illinois): If we don't go to the source, we're gonna have to save country after country after country down there, and it's just not going to work.

GIESON: But Democrats had the votes, and final passage of the covert fund cut-off came late tonight. REP. JIM WRIGHT (D-Texas): Yeas are 228. The mays are 195. The bill is passed.

GIESON: But it is merely a symbolic defeat for the president. This cut-off in covert aid will never become law. The Senate has already indicated it won't even take up the matter. Charles Gibson for Nightline on Capitol Hill.

KOPPEL: When we return, we'll be joined by two congressmen who fought hard in today's debate, one for the aid cut-off, the other against it. Later, we'll ask Israeli

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